

TOWN OF ALLENSTOWN
Budget Committee
16 School Street
Allenstown, New Hampshire 03275
November 14, 2013

Call to Order.

The Allenstown Budget Committee Meeting for November 14, 2013 was called to order by the Chair at 6:03pm.

Roll Call.

Present on the Board: Dave Eaton, Larry Anderson, Carl Caporale , Jerry McKenney , Dave Coolidge , Mike Frascinella , Deb Carney, Chris Lavalley, Jeff Gryval, Roger LaFleur, Carol Merrill, and Andrea Martel.

Excused: Penny Touchette

Others Present.

Residents of Allenstown:

Others Present: Harold Paulsen, Tri-Town Joint Board; Joyce Booker, Tri-Town Joint Board; Justin Smith, Boys and Girls Club; Dave Jodoin, Tri-Town Joint Board; Peter Viar, Old Home Day Committee; Dana Carlucci, Old Home Day Committee

Other Public Officials: Chris Roy, Planning Board; Armand Verville, Allenstown Meetinghouse Steering Committee; Claudette Verville, Allenstown Meetinghouse Steering Committee; Eric Feustel, ZBA; Beth Houllis, Parks & Recreation; Ron Pelissier, Road Agent; Dana Clement, Sewer Commission; and Jeff Backman, Sewer Commission.

Allenstown Staff: Shaun Mulholland, Town Administrator; Sandy McKenney, Selectman; Kimberly Carbonneau, Library Trustee; Amber Cushing, Library; Joyce Welch, Health Officer; Pauline Boutin, Library Trustee; Donna Severance, Assessing Clerk; and Diane Demers, Finance Director.

Mr. Gryval announced that they have a quorum of the Select Board present at tonight's meeting so that tonight's meeting was posted. He explained that Mrs. McKenney is present as a member of the audience and that he is the Select Board representative for the Budget Committee.

The Chair asked that everyone sign the attendance sheet that is going around.

Presentation of Budgets

Patriotic

Mr. Viar read a letter from the Chairman of the Old Home Day committee. The letter stated that it is important to maintain the line item for Old Home Day in the budget and explained the Chairman's reasons that it benefits the residents of Allentown.

Parks and Recreation

Mrs. Houlis stated that she is not clear what questions that they have for her. She stated that she already explained to the Select Board the impact the cuts to the budget will have to the residents. She stated that there are some materials for them to review as to the budget cuts.

The Chair asked Mrs. Houlis to explain their budget and request by the Select Board to reduce it further. Mrs. Houlis stated that their budget is \$31,650 and that the request was to reduce it by \$1,200 which she feels is not going to help the tax situation but will have a significant impact on some of the services they provide.

Mrs. Houlis stated that a lot of the budget goes towards Whitten St Park which is where they have the Boys and Girls Club there. She explained that this part and the Boys and Girls Club gives the kids somewhere to go after school and during the days in the summer. She stated that the cost to pay to the Boys and Girls Club is very minimal. She also explained the things at that facility that needs work and how the additional cut to the budget would reduce her ability to do those things. She stated that these things are essential for the safety and security of the usage of the building by the kids.

Mr. Frascinella asked about the page in the handout that is titled "Where are we misaligned?" and since she is the chairperson, why the budget is misaligned. Mrs. Houlis explained that she is new as chairperson and that her policy was to let things go for the first year and see where they come in. She stated that there are things that should be in different line items than they are currently on the budget and that she intends to make the changes to reflect the budget properly.

Mr. Caporale asked about the where she would cut the budget if they had to cut more. Mrs. Houlis stated that at the Select Board meeting, she informed them that if she had to cut something additionally, it would mean taking it out of the maintenance line. Mr. Caporale asked what the impact would be to the services by cutting the additional \$1,200 from maintenance. Mrs. Houlis stated that she would address the most pressing things first and then continue to address the rest of the issues as best as she can.

Mr. LaFleur asked if they had anything in the Capital Improvements budget for Parks and Recreation. Mr. Mulholland stated that Parks and Recreation did not submit anything for the Capital Improvements.

Mrs. Carney stated that her children go to the facility at the Whitten St Park and that it is a mess there. She stated that the Parks and Recreation does a great job with what they have but that there is a lot that needs to be done. She suggested to the Budget Committee members that they go by the facility and look at the condition of the facility. Mrs. Houlis stated that the priority is keeping people safe while the facility is in use.

Mr. LaFleur asked if it is possible for the Parks and Recreation can set up a revolving fund that they can use for maintenance on the facilities. Mr. Mulholland stated that there is a Capital Reserve fund is setup for that. He stated that the purpose of the Capital Reserve fund was to repair the roadways. Mr. LaFleur asked if the money in that fund could be used to make the repairs that Mrs. Houlis is discussing. The Chair stated that a warrant article to cover the cost of repairs may be the best option for them.

Mr. Mulholland stated that he has been working with the Boys and Girls Club to replace the portable classrooms with a permanent structure in Allenstown. Mrs. Houlis stated that at this point that is not a guarantee. She explained that they are trying to be proactive and make sure that there are no safety issues at the facility. Mr. LaFleur suggested that if they have the immediate needs, to use the money available to them to fix those needs and then come up with a plan to replenish the money used.

Mr. Caporale asked Mrs. Houlis if this building be operating with all the safety concerns that they are having. Mrs. Houlis stated that no one has said that it can't be operating. She stated that she is not worrying about someone dying but that she is worried about slips and falls.

Assessing

Mrs. Severance went over each line item in the budget for Assessing. She explained that the usage of mapping and what it allows them to do. She explained that they the State require that every parcel is reassessed every five years but that they do one fourth of the parcels each year. She also discussed the contract that they have with Avatar whom they use for their assessing needs and the software used.

Public Library

Mrs. Cushing introduced each board member to the Budget Committee and audience. She stated that the concept of a 21st century library has impacted their budget. She explained that the value of the library in today's time is helping to assessing rather information is good or bad as information is readily available to the common person everywhere.

Ms. Cushing showed the Budget Committee slides of the proposed budget. She stated that \$52,050 is their 2014 proposed budget; however, the Select requested an additional \$13,000 cut. She explained that the column in red shows where they would have to take the additional cuts. She continued to explain the increases in each line item and why they may have increased. Mrs. Cushing also showed the Budget Committee a comparison of their costs to other towns in the surrounding communities.

Ms. Cushing explained that a \$13,000 cut to the budget is too much for them to sustain. She offered other suggestions for cutting their budget at different amount. She suggested cutting them on a \$3,000, \$5,000 or an \$8,500 amount.

Mr. Caporale asked if there is more out there than the \$19,000 grant that they received this year. Ms. Cushing stated that there are some things that they are not going to give grants for. She stated that she could get grants for summer reading and digitization for earlier voter registration records from 1860-1890. She also explained that the grants are not always given to the same people over and over again.

Mr. LaFleur asked if the unexpended funds at the end of the year go back to the library. Ms. Cushing stated that it would go back to the library but that she thinks that there won't be very much left at the end of the year.

Mr. Frascinella asked about the percentage of residents that use the library and stated that from his math, the numbers she gave indicate that only 6.8% of the residents use the library. Ms. Cushing stated that percentage only covers residents you physically borrowed an item in the past year from the library. Mr. Frascinella stated that those statistics makes it sound like the library is underutilized. Ms. Cushing stated that she thinks that the library is very underutilized and that she thinks that they need to do some more outreach to show residents what services they have available. She further explained the benefits of the library to residents in looking for jobs, colleges, doing research and utilizing computers.

Mr. Caporale asked what the students utilize the library for. Ms. Cushing stated that a lot of the students use the library to utilize the computers and spend time with their friends. She stated that she also tries to help the students understand reading for entertainment.

Mr. Frascinella asked if the line item for books in the amount of \$2,000 is just for print books or electronic books. Ms. Cushing stated that was just for print material books and that they can't afford electronic books without the State Consortium as they are \$100 each. Mr. Frascinella asked if they are running out of room for books. Ms. Cushing stated that they did a weeding project last year of older books which gives them plenty of room. She explained the cycle of the

different types of books that people want. She stated that they also have to account for delinquency of books.

Mr. Caporale asked if the \$2,000 for the late fees was a cumulative or just for 2013. Ms. Cushing stated that the \$2,000 is everything that hasn't been returned in the last five years and to be replaced with used copies.

Mr. LaFleur asked Ms. Cushing if she was to ask the Budget Committee to turn funds back, what the total amount in dollars would be. Ms. Cushing stated that she would like to have \$10,000 turned back as that would have the least amount of impact on budget.

Ambulance Budget

Chief Paulsen stated that they should all have a copy of the proposed budget. He stated that the overall budget is up by five percent. He further explained that they are still in the learning curve and are not quite into their first full year of budgeting. He stated that current year expenditures are on track.

Chief Paulsen stated that what contributes to the five percent increase is the three percent COLA increase for the three full-time employees, health insurance, and NH retirement. He explained that they have using per Diem to cover the third full-time position which explains why is it 82% expended. He explained that with the Director being on unpaid leave, the NH retirement is not covering that position which shows a decrease.

Chief Paulsen stated that their contracted billing service only shows a 43% paid out so far. He explained that there is a 3-4 month lag as they do the services. Mr. Jodoin stated that there were no expenses to the company during that time however; they still had to pay their employees and other operational expenses.

Chief Paulsen stated that one thing that is not on the budget is the transfer to Capital Reserve. He stated that they fully recognize that they have to transfer some funds to the Capital Reserve but that they didn't feel that they could do it given the transition.

The Chair stated that the Allentown portion of that budget is \$209,000. Mr. Jodoin stated that there are some substantial increases on both sides of the towns. He stated that they have started running into the red as they are not collecting what they budgeted for.

Mr. Caporale asked what they are going to do to offset those increases or if they were going to run that every year. Chief Paulsen stated that the highest that they know of is about an 80% recovery. Mr. Caporale asked how private companies are handling this. Chief Paulsen stated that they are utilizing their personnel to the maximum and taking other calls.

Mr. Caporale stated that last year the Budget Committee was told that the Joint Board didn't know what the expenses and revenue would look like and now this year they are being told that the Joint Board still doesn't know. Chief Paulsen stated that they do know this year. He stated that the expenses have stayed the same; however, what they don't always know is the revenues. He stated that the budget last year was based on the previous Tri-Town budget model and this year's budget is only a five percent increase.

Mr. Mulholland explained that the service is paid by the taxpayers and is subsidized by medical payments. He stated that he suspects it to get worse year to year as more people are retiring and the insurance companies are paying less and less. He stated that insurance companies sometimes pay the patient directly and that the patients aren't paying the ambulance. He explained that the Affordable Care Act will also affect this and that they don't know the exact impact of it all at this point.

Mr. LaFleur asked if Tri-Town is still a separate organization. Chief Paulsen stated that Tri-Town Ambulance Service Inc. is still a corporation without an ambulance and Tri-Town EMS took all of their assets and run municipally by Allenstown and Pembroke. He stated that Tri-Town Ambulance Service Inc. still exists because they still have revenues coming in to offset expenses from the previous year. He stated that is whatever is left from that organization will come in as revenue to the Tri-Town EMS service but that there is not a lot of money there.

Mr. LaFleur asked when it will be completed. Mrs. Booker stated that they have to meet with the lawyers and state and make sure everything is being done properly. Mr. Frascinella asked what the percentage is for the employer on the health insurance. Mr. Jodoin stated that it is an 85/15 split being that Tri-Town pays 85% of the health insurance fee.

The Chair stated that they will not be voting on any of the budgets at this meeting. He stated that next week they will meet again and will let the department heads know what the plan is for next week.

Mr. LaFleur asked Mr. Mulholland if this budget is like the dispatch budget for the Police Department where if the town or board chooses to make a cut, can they do so in a particular line item. Mr. Mulholland stated that they cannot do that. He stated that the Budget Committee could suggest a cut in the budget but it has to be cut from somewhere else in the budget.

Mr. Gryval stated that if the Budget Committee were to reduce the Ambulance budget, then they would have to make the cut somewhere else in the budget because they have a contracted agreement with Pembroke to provide the service to both towns. He stated that they have an opt

out option in the agreement which they could do but that there is no intention of doing so. He stated that the Joint Board is doing exactly as they have been mandated to do.

Tax Collector

Mrs. Rogers explained that there was a change in the Tax Collector in the budget because they changed software providers. She stated that this is a three year contract and have already paid for this year. She stated that there is an increase in salaries due to merit raises and COLA raises. She also explained that they have changed the tax bills to outsourcing those. She stated that there has been an increase in the postage rate since last year which is why there is an increase in that line.

Mr. LaFleur asked how much of an increase is there to the software as a result of going to Avatar. Mr. Mulholland stated that it was in the Executive budget but was moved over to the Tax Collector budget because that is where it is being used.

Mr. LaFleur stated that this is the second budget that has Avatar included in their services and asked what the overall impact to the budget is for this software. Mr. Mulholland stated that overall it decreases the budget. He stated that before they had many different programs, however, now they have the one program. He stated that it will be less money over the three years because they are not paying for the outlay of the software.

Town Clerk

Ms. Rogers stated that they took out map implement and publications which they don't need anymore. She stated that most expenses have stayed the same with the expectation of an increase to postage and salaries.

Mr. LaFleur asked if they show revenue as a result of the increase online activity. Ms. Rogers stated that when people are processing their transactions, they do pay a fee that coverage the postage. She stated that the transaction fee is \$1.00 and the postage is \$0.45 so the revenue gained is about fifty-five cents.

Elections

Ms. Rogers stated that there is a large increase in all of the election lines because this year there is three elections. She stated that the police detail line was taken out of the budget because due to budget constraints on the Police Department and a request by the Select Board to cut her bottom line by \$1,500. She stated that booth and polling places may be taken out as well.

Mrs. Merrill asked if the Supervisors of the polls are getting a three percent increase. Mr. Mulholland explained that the Supervisors are stipend employees. Ms. Rogers stated that for all the supervisors, it only increased the budget by \$95.00.

Allenstown Meetinghouse

Mr. Verville introduced himself to the Budget Committee. He stated that their budget is \$1,300 per year and that it hasn't changed over the years. He explained that they have used grants and donations to restore the meetinghouse. He stated that the budget is to cover the costs of maintaining the meetinghouse.

Zoning Board of Adjustment

Mr. Feustel stated that most of their money is raised by application fees. He stated that the only urgency he sees in their budget this year would be the training budget. He stated that legal is an easy place to cut if they need to but some years they need a lawyer and need the money in there.

Planning Board

Mr. Roy stated that they zeroed out the engineering line which meant they turned back \$1.00. He stated that their bottom line is \$16,450 which is a dollar less than last year. He stated that they have to pay one more year after 2014 for the Master Plan which is the \$9,000.

Mr. LaFleur asked how long after this time do they have to do the Master Plan. Mr. Mulholland stated they have to do it in 10 years.

Health Officer

Mrs. Welch explained some of the services that they provide such as school, daycare inspections and respond to complaints. She stated that she responds to the calls as she gets them. She stated that Dana Pendergast is her Deputy Health Officer. She also stated that they are reactive right now and that she would like to get to a proactive position.

Sewer Department

Mr. Anderson introduced Dana Clements, Jeff Backman, Carl Caporale and Andrea Martel from the Sewer Commission. He explained the different projects that they worked on the previous year and how they were paid. He also explained how the new software system has benefited the town and decreased the spending. He stated that the Sewer Department budget this year is \$2,044,892.

Mr. Coolidge asked how many septage trucks they can do at once. Mr. Clement stated that about a month ago they started using all four receiving stations.

Mrs. Merrill asked if they are doing a three percentage raise. Mr. Clement stated that they have put in for the three percentage increase. Mr. Caporale stated with the money that was saved this year is worth the raise increases for the work that they did. He stated that the receiving station was worked on by their own employees with the exception of building those stations. Ms. Martel stated that these are merit raises that can mean up to a three percent increase however, the employee may not get that.

Mr. LaFleur asked if there is a point in time when the town sees relief in all of the costs. Mr. Caporale stated that they are seeing relief because of what they are doing to offset costs. He stated that they are starting to lower the rate because they can sustain on what they are projecting to come in. There was further discussion of how the Sewer Department is benefiting the town. There was also discussion of how fixing the manholes has will be helpful to the town in that it will be easier on the vehicles using the roads.

Mr. Clement stated that they are down eight percent in revenues this year. Mr. Caporale explained that they have dropped eight percent because they are cutting out those customers that are causing them more money to work with in order to streamline. He stated that they are also working on getting new customers. Mr. Anderson stated that they are still getting the same number of people dropping stuff off but not as frequently. Mr. Caporale stated that progress is being made and that come spring things will pick up.

Mr. Clement stated that they are looking at co-generation which is when they make their own electricity and capture the heat energy to use in the operations of the plant. He stated that the most significant one is to be able to dehydrate the sludge. Mr. LaFleur asked if it was to use the methane. Mr. Clement stated that they would have to use natural gas and that they don't have a digester which is what produces the methane gas. He stated that it would cost \$2 million and that he is not confident that the type of waste that they have would produce enough methane to make it worth wild.

Mr. Clement stated that they spend \$266,000 to dispose of the sludge and that by rehydrating it, it would reduce the volume tenfold. He also stated that they would also end up with a sellable fertilizer product with a going rate is about \$7 per ton.

Mr. Coolidge asked who determines who gets a merit raise and who doesn't. Mr. Anderson stated that they have supervisors who rate them and then bring those ratings to the Commission. He stated that the Commissioners determine the raise based on the rates that were given for each employee.

Other Budgets

Mr. Mulholland stated that they would start on page five and go through the remaining budget lines. He stated that he will go through each one quickly unless the Budget Committee members have questions on a particular line.

Building Inspector

Mr. Mulholland stated for the Building Inspector the vehicle line was cut out of the budget because they are getting rid of that vehicle. He stated that cell phone was also cut from the budget. Mr. Mulholland stated that there is software that has been added in for the Avatar software.

Debt

Mr. Mulholland stated debt is going down because the Police part of the bond is getting paid off in 2015 and there will be no debt after that.

Retirement

Mr. Mulholland stated that Retirement is going up. He stated that the State no longer pays 30% of the cost which means that the municipalities have to pay it. He stated the amount in the budget is the municipality's portion and the employees still pay their portion.

Mr. LaFleur asked what the stability of the retirement system in each department. Mr. Mulholland stated that is a much bigger question for him to answer. Mr. LaFleur asked if it is mandated by the State. Mr. Mulholland stated that is it mandated by the State. Mr. LaFleur concluded that it is now an unfunded mandate which opens the possibility for municipalities to go after the State for it. Mr. Mulholland stated that they could try that if they wanted.

Welfare

Mr. Mulholland stated that they making the requirements for welfare benefit a lot tighter than they have been in the past. He stated that they are also collecting more money from those that own the town by following up with them regarding their bills. Mrs. Demers stated that they are catching people for welfare fraud.

Mr. LaFleur asked if there are any intensions on going through that whole process. Mrs. Demers stated that when people are coming in and asking for assistance she is explaining the process to them so that they better understand it. She explained to the Budget Committee how the lien process works and that she is explaining this to the residents as well.

Discussion of Overall Proposed Budget

Mr. Coolidge asked what kind of tax increase they are looking at if nothing was to be changed from the proposed budget. Mr. Mulholland stated that it would be a 6.4% increase in taxes and a

4.4% increase in spending. Mr. Gryval stated that one thing to look at is that this is the municipal part of the budget. Mr. Coolidge stated that no one looks at that and that they look at the bottom line. He asked them to give them the increase from the bottom line point of view.

Mr. Mulholland stated that it is a \$0.66 increase to the overall budget. He warned the Budget Committee that he did a tax rate of \$30.54 however, they the evaluations continue to go down, he expects that there will be a lot of abatements, and that when they put the number on the warrant articles with the tax increase it will probably be way off.

Mr. LaFleur asked what the impact on evaluations was this year. Mr. Mulholland stated that from their view, it is \$12.9 million loss in property values. He stated that it depends on the property as some values went up while others went down. He stated that their commercial properties went up by 35 percent in value. Mr. LaFleur stated that what goes on at the tax setting portion effects the tax rates.

Mr. LaFleur stated that if they are going to make cuts, they need to do so wisely and determine what services they can live without. Mr. Caporale stated that they are at the point of losing major services and that they have to determine which services to keep. There was also discussion of the school board's budget impact on the tax rate.

Mr. Lavalley asked if Hooksett library has an opportunity for an entire town to buy their services like they offer to individuals. Mr. LaFleur stated that he doesn't think that they do but that they do allow people from other communities to be part of it. Mr. Caporale stated that they did the math on this last year and had determined they would be better off if they paid for the residents' library cards at the Hooksett Library.

Discussion of Budget Review and Approval Process

The Chair stated that it has been brought to his attend that members of the Budget Committee would like to have a workshop to discuss the budget further. He stated that the plan right now is to review and vote on the budget next week. He stated that if they make cuts in the budget that effect personnel, he would rather have the budget voted on sooner. He stated that the idea was to spend December on the School Budget which is the largest budget in the town. The Budget Committee determined to do the major budgets at next week's meeting which would be the Police, Fire, Highway and Sewer Departments. They also determined to have the School Board's presentation on December 5th and to also go through the rest of the budgets at that meeting.

Ms. Martel stated that the School Board met last night to do a brief review and are meeting next week to do a more thorough review and will be ready to present on December 5th.

The Chair stated that they have December 5, 12, and 19th to finish up whatever else they have left. Mr. Caporale and Mrs. Merrill stated that they would like to discuss the budgets more. The Chair stated that if they are going to have a discussion, he wants to have the Department Heads present. Mr. LaFleur stated that they shouldn't continue to have the same question and answer sessions that they have been having and getting no results.

Mr. LaFleur discussed reviewing the numbers over the last ten years to see how the numbers are trending and then predict the numbers for the next year. Mr. Mulholland stated that they really can't predict those numbers which is part of the problem. Mr. LaFleur stated that he is trying to assess what the rate of the number going down each year. He further explained that if they look at a period of time that shows their evaluation assessment, they can start looking at projections of where they are going to be in the future. He stated that this would allow them to then look at doing the same thing to the expenses.

There was discussion of whether or not the meeting next week would be a workshop or a regular meeting. The Chair asked Mr. Mulholland to have updated revenues and expenses for the committee members at next week's meeting. He suggested that next week they have a discussion of the Police, Fire, Highway, and Sewer next week and then vote on those budgets. He also suggested having the School present their budget on December 5th and finish up the town budgets. He stated that the idea is that they can always bring a budget back. He stated that next week they will have a projected bottom line from the town.

Mr. LaFleur asked if they were to cut the Sewer budget, would they raise the money through appropriation. Ms. Martel stated that according to the RSA, if they cut the budget the Sewer Commission can spend it however they choose. She stated that the Sewer Department budget has its own warrant article as Mr. Anderson was successful in getting the legislation changed to allow them to do so.

Motion. Mr. Anderson made a motion to adjourn. Mr. LaFleur seconded the Motion. There was no additional discussion.

A Roll Call Vote was taken: Mr. Anderson-Yes; Mr. Coolidge-Yes; Mr. McKenney-Yes; Mr. Caporale-Yes; Mr. Gryval- Yes; Mr. Lavalley-Yes; Mrs. Carney-Yes; Mr. Frascinella – Yes; Ms. Martel-Yes; Mrs. Touchette- Yes; Mr. LaFleur – Yes; and Mr. Eaton-Yes. The Chair declared the Motion passed.

The Chair declared the meeting adjourned at 8:58pm.